14th September, 1999 with a view to bringing privately held gold in circulation, reducing the country's reliance on import of gold, and providing its owners with some income apart from freeing them from the problems of storage, movement and security of gold in their possession. The scheme is operated by banks authorised by RBI and is open to persons residing in India. Five banks have launched their schemes under the guidelines.

Objectives of ARC

3171. SHRI CO. POULOSE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to establish Asset Reconstruction Corporation (ARC) of India;

(b) if so, the details thereof alongwith the main objectives of the proposed ARC;

(c) by when it will come into existence; and

(d) how far it will safeguard the interest of the public sector institutions in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir. Narasimham Committee I & II and Verma Working Group had recommended setting up of ARC for collecting the distressed assets from Banks and Financial Institutions with a view to develop market for such assets. As a follow up to such recommendations, Government has been considering various options available to it for setting up of ARC.

The objectives of ARC will cover provision of Agency Services for Asset Reconstruction, recovery of Non-Performing Assets (NPAs) in the financial system, research and development in the fields of asset, recovery and risk management and risk mitigation in the financial system and such other allied objects.

(c) Finance Minister while presenting the Budget for the year 2002-2003 on the formation of ARC stated *inter alia,* as follows:—

"A pilot Asset Reconstruction Company will be set up by June 30, 2002 with the participation of public and private sector banks, financial institutions and multilateral agencies."

Efforts are being made to set up ARC as early as possible.

(d) In order to bring the banking industry in India on par with global industries standards, Banking Sector reforms have been introduced since 1991-92. The NPAs, which adversely effect the strength of the balance sheets of the banks has become a grave concern for the banking sector. The transfer of NPAs to a separate agency would ensure a steady flow of income on such assets and improve the health of the public sector institutions.

World Bank loan for power projects in Jharkhand

3172. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) the details of the power projects for which loan has been given by the World Bank in Jharkhand State;

(b) the terms and conditions of the World Bank while giving loan to these power projects;

(c) the quantum of power likely to be generated in the State after these projects are completed; and

(d) the steps taken to ensure that funds arc properly and timely utilised for this project only?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) No proposal for loan for power project in Jharkhand State has been proposed to the World Bank.